

# FISCAL NOTE

**Bill #:** HB0019

**Title:** Reduce certain state elected officials' salaries

**Primary**

**Sponsor:** Butch Waddill

**Status:** As Introduced

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Sponsor Signature Date

\_\_\_\_\_  
Chuck Swysgood, Budget Director Date

## Fiscal Summary

	<u>FY 2003 Difference</u>	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<b>Expenditures:</b>			
General Fund	(123,961)	(7,437)	(80,009)
<b>Revenue:</b>	0	0	0
<b>Net Impact on General Fund Balance:</b>	<b>\$123,961</b>	<b>\$7,437</b>	<b>\$80,009</b>

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

#### **Legislative Branch**

1. There are 150 legislators.
2. Legislators are paid a daily salary calculated by multiplying the hourly rate at grade 10, entry level, on the executive matrix, by an 8-hour day. This calculation, as of January 2001, was \$71.83 per day and as of January 2003 will be \$76.80 per day.
3. Legislator salary effective January 2005 assumes the executive matrix will progress 1% each year of the 2005 biennium. The calculated rate would be \$78.35 per day.

(continued)

4. Legislator payroll is subject to employer payment of FICA, Medicare, and workers' compensation as a percent of salary. FY 2003 rates are used in the calculations for this fiscal note.
5. Legislator membership in PERS is optional; the state matches payroll deductions for the approximately 71% of legislators who are members of retirement systems.
6. The state share contribution for insurance coverage is not affected by this legislation and no impact is calculated here.
7. Members of the Legislature are paid 15,150 salary days during odd-numbered fiscal years: 13,500 for regular session; 550 days for pre-session caucus and orientation; 1,100 days for interim studies and activities.
8. Members of the Legislature are paid 1,320 salary days for interim studies and activities during even-numbered fiscal years.
9. Additional salary days which result from special legislative sessions are NOT included in this fiscal note. For information only, a 5-day special session would add 750 salary days plus approximately 300 salary days for pre-session activity.
10. HB 19 is effective on passage and approval; the applicability clause applies the legislation to legislator salaries beginning January 2003.

**Executive Branch**

11. Salary levels for elected MT officials as of July 1, 2002, to September 1, 2002 is assumed to be the average salary of officials with similar titles in four contiguous states and the then-current MT salary, at the time the 2000 Elected State Officials Salary Survey was published. The savings generated during the remaining ten months of FY 2003 as a result of reducing elected officials' salaries to the amount each was paid on June 30, 2001, would be \$43,952.
12. Salary levels for elected MT officials in effect for FY 2004 and FY 2005 will be determined by the salary survey conducted prior to June 30, 2002, and would not be affected by changes proposed in the amendment to 2-16-405 (2), MCA, which changes the calculation of the average salaries beginning with the survey which would be completed in June 2004.

FISCAL IMPACT:

	<u>FY 2003 Difference</u>	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>			
Personal Services	(123,961)	(7,437)	(80,009)
<u>Funding:</u>			
General Fund (01)	(123,961)	(7,437)	(80,009)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	123,961	7,437	80,009